

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 2/3/2015	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director (805)781-5959	
(4) SUBJECT Submittal of three (3) Resolutions approving the July 1, 2014 – June 30, 2016 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt three (3) Resolutions approving the July 1, 2014 – June 30, 2016 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13).			
(6) FUNDING SOURCE(S) Departmental Savings/Contingency and reserves	(7) CURRENT YEAR FINANCIAL IMPACT \$2,649,288	(8) ANNUAL FINANCIAL IMPACT \$5,957,526	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie A. Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
(805)781-5959

DATE: 2/3/2015

SUBJECT: Submittal of three (3) Resolutions approving the July 1, 2014 – June 30, 2016 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13). All Districts.

RECOMMENDATION

It is recommended that the Board adopt three (3) Resolutions approving the July 1, 2014 – June 30, 2016 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13).

DISCUSSION

The San Luis Obispo County Employees' Association (SLOCEA) is comprised of the following bargaining units (BU) and number of employees:

BU01	Public Services Unit	873 Employees
BU05	Supervisory Unit	199 Employees
BU13	Clerical Unit	392 Employees
TOTAL		1464 Employees

Consistent with the terms of the contract to the existing Memoranda of Understanding (MOU), on March 31, 2014, the County notified SLOCEA of its intent to meet and negotiate successor contracts that were due to expire on June 30, 2014. The parties entered into negotiations on May 20, 2014 to negotiate changes to terms and conditions of employment. The parties were able to reach a tentative agreement for a successor Memoranda of Understanding (MOU) on December 16, 2014. Pat McNamara, SLOCEA General Manager, notified the County on January 21, 2015 that the bargaining unit membership had ratified the agreement. The key details of the MOUs are as follows:

Term:

- July 1, 2014 through June 30, 2016.

Wage Provisions:

- A 2.3% General Wage Adjustment retroactive to the pay period including July 1, 2014.
- A 2.5% General Wage Adjustment effective the pay period including July 1, 2015.
- An additional wage increase for classifications determined to be more than 5% below market to be effective the pay period including July 1, 2015. These increases are funded through a pool equal to 0.3% of payroll for all classifications.

Pension Provisions:

- Unit employees and the County shall equally split (50/50) any future pension contribution increases adopted by the Board of Supervisors. The employee portion of the increase shall not exceed 2% during the term of this agreement. Increases above the 2% will be a subject of negotiations in subsequent years.

Health Coverage – Cafeteria Opt Out Provisions:

- The cash in lieu of medical insurance option is eliminated for employees hired on or after February 15, 2015 who opt out of a County sponsored medical plan.
- For employees hired before February 15, 2015, the cash in lieu of medical insurance option will be eliminated on January 1, 2016.
- Employees hired before February 15, 2015, who newly elect to opt out of a County sponsored medical plan on or after January 1, 2016, will not receive the cash in lieu of medical insurance.

Tuition Reimbursement

- Effective July 1, 2015, the individual maximum tuition reimbursement is increased from \$250 per fiscal year to \$400 per fiscal year. The total reimbursement fund for employees in the bargaining units remains unchanged at \$54,000 per fiscal year.

Market Wage Surveys

- The parties agree to meet by 9/1/2015 to discuss and survey parameters.
- Either party may present additional data as they see fit during negotiations.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Auditor's Office, Administrative Office and the Pension Trust participated in the development of these MOUs. County Counsel has reviewed and approved the Resolutions for legal form and effect. The Auditor's Office and Human Resources will process the system changes needed to implement these rate changes.

FINANCIAL CONSIDERATIONS**General Wage Adjustments:**

The 2.3% general wage adjustment, retroactive to the pay period including July 1, 2014, will increase the County's costs by approximately \$2,649,288 for FY 2014-15. The 2.5% general wage adjustment effective the pay period including July 1, 2015 will increase the County's costs by an additional approximately \$2,954,731 for FY 2015-16. The July 1, 2015 additional out of market adjustment pool of 0.3% of payroll will cost an additional \$353,507, for a total cost of approximately \$3,308,238 for FY 2015-16.

Total annual County costs are approximately \$5,957,526. Departmental savings will be the primary source of funding for unbudgeted expenditures associated with the compensation increases included in the attached MOUs. To the extent departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficient amount out of General Fund Contingencies and/or reserves to the departmental operating budgets, as needed, as part of the third quarter report. The third quarter is when many such year-end adjustments are made.

RESULTS

Approval of these Resolutions will establish new two (2) year MOUs with the SLOCEA Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13) effective from July 1, 2014 through June 30, 2016. The terms and conditions outlined in these MOUs are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. Approval of these Resolutions follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and contributes to a results-oriented, well-governed community.

ATTACHMENTS

1. Resolution - SLOCEA Public Services Unit (BU01)
2. Resolution - SLOCEA Supervisory Unit (BU05)
3. Resolution - SLOCEA Clerical Unit (BU13)
4. Attachment A - SLOCEA Public Services Unit (BU01) MOU 2014-2016
5. Attachment B - SLOCEA Supervisory Unit (BU05) MOU 2014-2016
6. Attachment C - SLOCEA Clerical Unit (BU13) MOU 2014-2016